GOVERNMENT OF INDIA
SHIPPING
LOK SABHA

UNSTARRED QUESTION NO:2051
ANSWERED ON:10.12.2015
IPO of Cochin Shipyard Ltd.
Gaikwad Dr. Sunil Baliram;Gupta Shri Sudheer;Kachhadia Shri Naranbhai;Kirtikar Shri Gajanan Chandrakant;Singh Shri Kunwar Haribansh

Will the Minister of SHIPPING be pleased to state:

(a) whether the Government has approved issue of an Initial Public Offer (IPO) of Cochin Shipyard Limited (CSL) recently and if so, the details thereof and the time by which it is likely to be opened;
(b) the revenue likely to be generated therefrom along with the purpose for which it is proposed to be utilized;
(c) whether the Trade Unions have opposed the said decision;
(d) if so, the details thereof and the reasons therefor along with the response of the Government thereto; and
(e) the steps taken/being taken by the Government for expansion and modernization of the shipbuilding industry and their maintenance facility in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF SHIPPING
(SHRI PON. RADHAKRISHNAN)

(a) Yes, Madam. On November 18, 2015 the Cabinet Committee on Economic Affairs has approved the IPO of CSL. The total shares that will be made available for subscription are 3,39,84,000 equity shares of Rs. 10 each consisting of a fresh Issue of 2,26,56,000 equity shares of Rs. 10 each amounting to Rs. 22,65,60,000 and sale of 1,13,28,000 equity shares of Rs.10 each amounting to Rs. 11,32,80,000.

(b) The funds likely to be generated would depend upon the listing price of a share which is subject to market conditions. The funds are proposed to be utilized for infrastructure expansion of CSL including projects such as International Ship Repair Facility (ISRF) and New Dry Dock project for building larger vessels /LNG Carriers.

(c)&(d):Some trade unions like Shipyard Employees Sanghhave expressed their opposition to disinvestment of CSL. Cochin Shipyard has deliberated the issue with trade unions.

(e) Various measures have been adopted by the Government for expansion and modernization of shipbuilding industry in India. Details of the modernization and expansion programme of the Central Public Sector Shipyards is given in Annexure.

Annexure

1. COCHIN SHIPYARD LIMITED, KOCHI.

The following expansion programme has been chalked out, namely:-

(a) International Ship Repair Facility (ISRF) in the Cochin Port Trust Land.
(b) New Dry Dock project within Cochin Shipyard.

2. GARDEN REACH SHIP BUILDERS & ENGINEERS LIMITED, KOLKATA.

The following expansion programme enabling modular construction has been completed at a financial outlay of Rs. 605.85 Crores, namely:-

(a) Modern hull shop, upgradation of TRIBON ship design software, augmenting capacity of inclined berth, shipbuilding shop etc.
(b) Dry Dock of 10,000 Ton capacity, inclined berth of 4500 Ton Capacity, Pier Quay and associated works & systems.
(c) Goliath Crane of 250 Ton capacity.
(d) Module Hall, Paint Cell & Equipment.

3. GOA SHIPYARD LIMITED, GOA.

The following expansion programme has been chalked out for execution in four phases at an estimated outlay of approximately Rs. 800 Crores, namely:-

(a) Installation of 6000 Ton ship-lift & transfer system with associated civil structures.
(b) Additional construction of berths for Offshore Patrol Vessels from 1 to 3.

(c) Augmentation of Jetty Berthing Space from 4 wet berths to 10 wet berths.
(d) Augmented material handling & crane capacity due to addition of new workshop cranes form 30 Ton to 80 Ton Capacity.
(e) New Level Luffing outdoor cranes upto to 80 Ton Lifting capacity, two new block transporters of 100 Ton capacity.
(f) Increased repair capability with two berth for repairs of ships up to 6000 Ton and rationalisation of layout and material flow for efficient modular construction methodology.

4. HINDUSTAN SHIPYARD LIMITED, VISAKHAPATNAM.

An expansionprogramme for Repair and Refurbishment of Machinery & Infrastructure (RRMI) has been chalked out at an outlay of Rs.456.37 Crores.

5. MAZAGON DOCK LIMITED, MUMBAI

The following expansion programme has been chalked out at an estimated outlay of approximately Rs. 826 Crores, namely:-

(a) Creation of Module Workshop, 300 Ton Goliath Crane, New wet Basin and Cradle Assembly Shop.
(b) Augmentation of outfitting capacity from 3 Warships to 5 Warships and from 3 submarines to 6 submarines.
(c) Augmentation of submarine related infrastructure.
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